

Minutes of Meeting
Health Services Council
Project Review Committee-I

DATE: 16 May 2006

TIME: 2:00 PM

LOCATION: Health Policy Forum

ATTENDANCE:

Committee I: Present: Victoria Almeida, Esq, (Vice Chair), Edward F. Almon, John W. Flynn, Robert S.L. Kinder, MD, Robert J. Quigley, DC, (Chair)

Not Present: Joseph V. Centofanti, MD, Robert Ricci, Robert Whiteside, John Young

Excused Absence: Robert L. Bernstein, John Keimig, Richard Lepine

Other Members: Present: Larry Ross

Staff: Valentina D. Adamova, Michael K. Dexter, Joseph G. Miller, Esq.

Public: (Attached)

1. Call to Order, Approval of Minutes, Conflict of Interest Forms and Time Extension for the Minutes Availability

The meeting was called to order at 2:00 PM. The Chairman noted that conflict of interest forms are available to any member who may have a conflict. The Chairman requested a motion for the extension of time for the availability of minutes pursuant to the Open Meetings Act. A motion was made, seconded and passed by five in favor and none opposed (5-0) that the availability of the minutes for this meeting be extended beyond the time frame provided for under the Open Meetings Act. Those members voting in favor were: Almeida, Almon, Flynn, Kinder, Quigley.

2. General Order of Business

The first item on the agenda was the application of South County Hospital Healthcare System for a certificate of need to construct a three-story facility to house 60 replacement beds. Staff reviewed the memo regarding the number of beds and occupancy rates.

The applicant reviewed the information regarding current and proposed beds allocation and number. The applicant reviewed poor conditions in certain areas of the hospital that will be affected by the implementation of this project. The proposed three-story additional

will contain all single bed rooms.

A motion was made, seconded and passed by a vote of five in favor, and none opposed (5-0) to recommend that the application be approved. Those members voting in favor of the motion were: Almeida, Almon, Flynn, Kinder, Quigley.

The next item on the agenda was the applications of CPL (Heatherwood) LLC and CPL (South County Nursing) LLC [subsidiaries of CPL Long Term Care, Inc. and RRR REIT] for a change in effective control of Heatherwood Nursing and Subacute Center, Inc. d/b/a Heatherwood Nursing & Rehabilitation Center at 398 Bellevue Avenue in Newport and Change in effective control of South County Nursing and Subacute Center, Inc. d/b/a South County Nursing & Rehabilitation Center at 790 Oak Hill Road in North Kingstown. Staff noted that at the previous meeting there were issues with the composition of the proposed equity. Staff noted that at the request of the Committee, the applicant has met with staff, and that the letter dated 24 April 2006 was the result of those discussions. Staff stated that the applicant is committed to comprising the equity from cash from operations and not from a line of credit. Staff stated that the applicant has amended its response in the application to reflect that equity shall be comprised from cash from operations. Staff noted that with regards to the applicant's facility in Vermont, the applicant provided a letter showing that the facility is in compliance.

Mr. Zubiago, legal counsel to the applicant, stated that the parent company of the applicant will use the money from operations for equity. The Chairman requested assurance with regards to the source of equity. Staff stated that the applicant will be required to provide written certification from the CEO after the closing as a condition of approval. The applicant agreed.

A motion was made, seconded and passed by a vote of five in favor, and none opposed (5-0) to recommend that the application be approved with conditions of approval. Those members voting in favor of the motion were: Almeida, Almon, Flynn, Kinder, Quigley.

There being no further business the meeting was adjourned at 2:30 PM.

Respectfully submitted,

Valentina D. Adamova